



Senate

General Assembly

File No. 689

January Session, 2007

Senate Bill No. 1292

Senate, May 2, 2007

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE ALTERNATIVE BASE PERIOD FOR PURPOSES OF UNEMPLOYMENT COMPENSATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 31-230 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2007*):

4 (b) [For a period from January 1, 2003, to December 31, 2007, the]
5 The base period of a benefit year for any individual who is ineligible to
6 receive benefits using the base period set forth in subsection (a) of this
7 section shall be the four most recently completed calendar quarters
8 prior to the individual's benefit year, provided such quarters were not
9 previously used to establish a prior valid benefit year, except that for
10 any such individual who is eligible to receive or is receiving workers'
11 compensation or who is properly absent from work under the terms of
12 an employer's sick leave or disability leave policy, the base period shall
13 be the four most recently worked calendar quarters prior to such
14 benefit year, provided such quarters were not previously used to

15 establish a prior valid benefit year and provided further, the last most
16 recently worked calendar quarter is not more than twelve calendar
17 quarters prior to the date such individual makes the initiating claim. If
18 the wage information for an individual's most recently worked
19 calendar quarter is unavailable to the administrator from regular
20 quarterly reports of systematically accessible wage information, the
21 administrator shall promptly contact the individual's employer to
22 obtain such wage information.

| | | |
|---|--|--|
| This act shall take effect as follows and shall amend the following sections: | | |
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|-----------|------------------------|-----------|
| Section 1 | <i>October 1, 2007</i> | 31-230(b) |
|-----------|------------------------|-----------|

LAB *Joint Favorable C/R*

APP

APP *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 08 \$ | FY 09 \$ |
|-------------------------------------|---------------------------------------|-----------------|-----------------|
| State Comptroller - Fringe Benefits | GF - Cost | 18,127 | 24,170 |
| Labor Dept. | Unemployment Compensation Fund - Cost | \$2.5 million | \$3.3 million |

Note: GF=General Fund

Municipal Impact:

| Municipalities | Effect | FY 08 \$ | FY 09 \$ |
|------------------------|----------------------|-----------------|-----------------|
| Various Municipalities | STATE MANDATE - Cost | 48,993 | 65,323 |

Explanation

The bill removes the alternative base period sunset date of December 31, 2007. The alternative base period allows individuals who do not meet the earnings requirements to qualify for unemployment benefits under the base period, to utilize a more recent earnings period. This results in an individual collecting benefits which otherwise would not be available to them until the beginning of the next quarter.

Based on alternative base activity in 2006, the cost to the Labor Department's Unemployment Compensation Fund is estimated at \$2.5 million in FY 08 and \$3.3 million in FY 09 resulting from approximately 3,130 individuals paid at a weekly benefit rate of \$196.

The portion of the alternative base unemployment claims attributable to state employees (.74%) is paid from the unemployment compensation account administered by the State Comptroller and is estimated at \$18,127 in FY 08 and \$24,170. The budget, sHB 7077 as

approved by the Appropriations Committee, provides \$4.5 million in FY 08 and \$4.7 million in FY 09 in the unemployment compensation account administered by the State Comptroller.

The portion of alternative base unemployment claims made by municipalities (2.0%) is estimated at \$48,993 in FY 08 and \$65,323.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 1292*****AN ACT CONCERNING THE ALTERNATIVE BASE PERIOD FOR PURPOSES OF UNEMPLOYMENT COMPENSATION.*****SUMMARY:**

This bill removes the sunset date of December 31, 2007 from the law establishing an alternative base period to calculate unemployment compensation benefit eligibility, thus making the alternative permanent. The alternative base period is used to determine the eligibility of unemployment compensation claimants who do not qualify under the regular base period.

EFFECTIVE DATE: October 1, 2007

BACKGROUND***Regular and Alternative Base Periods***

The regular base period is the first four of the five most recently completed quarters prior to the quarter in which the claimant files a claim. By law, when determining a claimant's eligibility under the alternative period, DOL can use the four most recently completed quarters prior to the quarter in which the person filed the claim. But if the claimant was (1) receiving or eligible for workers' compensation or (2) properly absent from work under his or her employer's sick or disability leave policy before becoming unemployed, the alternative base period is the four most recent quarters in which he or she worked, as long as they were not previously used to claim unemployment compensation.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Change of Reference

Yea 9 Nay 0 (03/01/2007)

Appropriations Committee

Joint Favorable

Yea 30 Nay 17 (04/17/2007)